

EXHIBIT B

Wright Declaration

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA**

In re:)	
)	Chapter 11
MERCY HOSPITAL, IOWA CITY, IOWA, <i>et al.</i> ,)	
)	Case No. 23-00623 (TJC)
Debtors.)	
)	Jointly Administered
)	

**DECLARATION OF WILLIAM J. WRIGHT IN SUPPORT OF
RETENTION OF CBRE, INC.**

I, William “Bill” J. Wright, declare under penalty of perjury and pursuant to 28 U.S.C. § 1746 that the following is true and correct to the best of my knowledge and belief:

1. I am a Senior Vice President and Managing Director of CBRE, Inc. (“CBRE”), and am authorized to execute this declaration (this “Declaration”) on behalf of CBRE.

2. I submit this Declaration in support of the *Debtors’ Application for Entry of Order (I) Authorizing the Employment and Retention of CBRE, Inc. as Real Estate Broker to the Debtors and Debtors-In-Possession Effective as of January 15, 2024, and (II) Approving the Terms of the Exclusive Sales Listing Agreement* (the “Application”).¹

3. CBRE has no parent corporation and no publicly held affiliates.

4. I have been employed by CBRE for almost ten years since 2014 and have been involved in the commercial real estate industry for approximately 32 years.

5. CBRE maintains over 500 offices across the world in over 100 countries.

6. Unless stated otherwise, I have personal knowledge of the facts set forth in this Declaration.

¹ Capitalized terms used but not defined herein have the meanings given to such terms in the Application.

RETENTION OF CBRE

I. CBRE's Qualifications

7. CBRE is well-qualified to serve as the Debtors' real estate broker for the sale of the Real Estate. CBRE is a global leader in commercial real estate services and investments with an office in Des Moines, Iowa. CBRE's Des Moines office is a leading commercial brokerage firm with over 37 professionals and staff members. CBRE has experience in the sale of medical office buildings and commercial real estate of similar kind and quality to the Debtors' Real Estate.

8. CBRE provides real estate services across Iowa. CBRE has experience marketing and selling commercial healthcare properties in Iowa City, Cedar Rapids, Coralville, Hiawatha, and other cities across Eastern Iowa.

9. CBRE was previously employed by the Debtors with regards to the sale of a different medical office building located at 2460 Towncrest Drive, Iowa City, Iowa. CBRE listed the property in March 2022 and the property sold for \$1,250,000.00 in May 2023. CBRE is therefore familiar with the Debtors, their historical operations, and the local medical office real estate market.

10. CBRE has assembled a team of professionals that are uniquely situated to assist with the marketing and sale of the Real Estate, including myself, Christopher J. Pendroy, CCIM, SIOR, Dakota Little, and Grant Wright.

II. The Chapter 11 Cases

11. CBRE was retained by the Debtors on January 15, 2024.

12. The Listing Agreement, including the Commission Schedule, was executed on January 30, 2024.

13. CBRE has agreed to provide real estate services to the Debtors in these Chapter 11 Cases, pursuant to the terms and conditions set forth in the Listing Agreement. A true and correct copy of the Listing Agreement is attached to the Application as Annex 1 to **Exhibit A** and is incorporated herein by reference.

PROFESSIONAL COMPENSATION

14. Pursuant to the terms and conditions of the Listing Agreement and subject to the Court's approval in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and any applicable orders of the Court, CBRE intends to seek compensation from the Debtors during the Chapter 11 cases, in the amount of a five percent (5%) commission upon the sale of the Real Estate.

15. CBRE's expertise in commercial real estate transactions and the market conditions justify the terms and conditions set forth in the Listing Agreement.

16. The terms and conditions set forth in the Listing Agreement are reasonable and fairly compensate CBRE given, among other things: (a) CBRE is foreclosed from representing any buyer of the Real Estate, (b) the issues that may arise in the sale of the Real Estate, (c) CBRE's commitment to the variable level of time and effort necessary to address all such issues as they arise, and (d) the market prices for CBRE's services for engagements of this nature.

17. CBRE's services cannot be measured simply by reference to the hours worked by CBRE's professionals.

18. Other than the Cooperating Broker Fee, CBRE has agreed not to share with any person or firm the compensation to be paid for professional services rendered in connection with the Chapter 11 Cases. No promises have been received by CBRE or any member, associate, or other employee of CBRE as to payment or compensation in connection with the Chapter 11 Cases,

other than in accordance with the Bankruptcy Code, Bankruptcy Rules, and U.S. Trustee Fee Guidelines.

CBRE'S DISINTERESTEDNESS

19. In connection with its proposed retention by the Debtors in the Chapter 11 Cases, CBRE obtained from the Debtors and/or their representatives the name of individuals and entities that may be parties in interest in the Chapter 11 Cases (the “Potential Interested Parties”), reflected on the list attached hereto as Schedule A. CBRE, as a real estate brokerage firm, does not have a formal “conflicts” process, nor does it maintain a database of all the parties it has previously represented. Thus, I personally reviewed the Potential Interested Parties to determine if CBRE has any current or past material conflict with the Debtors in these Chapter 11 Cases.

20. To the best of my knowledge, information, and belief, (a) CBRE has no connection with the Debtors, other than the Chapter 11 Cases and CBRE’s previous representation of the Debtors, (b) CBRE does not represent and has not represented, any represented, any entity other than the Debtors in the Chapter 11 Cases, (c) CBRE does not have any connection with the Debtors’ creditors, the U.S. Trustee, any other party in interest, or their respective attorneys and accountants in relation to the Chapter 11 Cases, (d) CBRE and its professionals are not creditors, equity or security holders, or insiders of any of the Debtors, (e) neither CBRE nor any of its professionals is or was, within two years of the Petition Date, a director, officer or employee of any of the Debtors, and (f) neither CBRE nor any of its professionals hold or represent an interest materially adverse to any of the Debtors, their estates or any class of creditors or equity holders by reason of any direct or indirect relationship to, connection with, or interest in any of the Debtors, or for any other reason.

21. CBRE provides real estate services, including real estate investments, sales, and purchases, to an array of clients across the nation. As a result, CBRE has represented, and may in future represent, Potential Interested Parties in matters unrelated to these Chapter 11 Cases. To the best of my knowledge, information, and belief, insofar as I have been able to ascertain after reasonable inquiry, none of these representations are adverse to the Debtors' interests.

22. To the best of my knowledge and belief,² I am unaware of any current real estate engagements by CBRE of the Potential Interested Parties and neither CBRE nor I, nor any other employee of CBRE that will work on the Debtors' engagement, has any connection with or holds interest adverse to the Debtors, their estates, or the Potential Interested Parties, except as otherwise set forth below:

- a. Because CBRE maintains a large and diverse real estate practice, it has likely provided services unrelated to the Debtors for companies and individuals that have conducted business in the past and/or currently conduct business with the Debtors and who may be creditors of the Debtors. Given the size and breadth of CBRE's client base, it is possible that CBRE may now or in the future be retained by one or more of the Potential Interested Parties in unrelated matters without my knowledge. To the best of my knowledge, information, and belief, CBRE's services to these parties did not and do not specifically relate to, or have any direct connection with the Debtors, their estates, or these Chapter 11 Cases.
- b. Certain professionals employed by CBRE may, directly or indirectly, hold interests in creditors or other parties-in-interest in these Chapter 11 Cases. To the best of my knowledge, (i) none of these professionals' holdings would be considered material from the perspective of the issuers of such securities, and (ii) no professional employed by CBRE holds a material interest in debt or equity securities issued by the Debtors.
- c. Certain professionals presently employed by CBRE were formerly employed by other commercial real estate or other professional services firms that may be among, or represent other parties that are among, the creditors or other parties-in-interest in these Chapter 11 Cases. While

² As noted above, CBRE is a global real estate firm and does not maintain a conflicts database that I understand a law firm would typically maintain. Accordingly, my testimony of CBRE's potential conflicts is limited to my personal knowledge of CBRE's current and prior representations, which is largely based on my knowledge of CBRE's work conducted out of the West Des Moines office where I am employed.

employed by other firms, certain professionals presently employed by CBRE may have represented creditors, equity holders or other parties-in-interest in these Chapter 11 Cases in connection with matters unrelated to the Debtors and the Chapter 11 Cases. CBRE does not believe that these matters create a conflict of interest regarding the Debtors or the Chapter 11 Cases.

- d. CBRE has previously represented Wells Fargo Bank, National Association and currently represents Wells Fargo in Central Iowa as well as other markets around the U.S. CBRE has not represented Wells Fargo in connection with these Chapter 11 Cases.
- e. Bill Wright and CBRE have previously represented U.S. Bank (and its predecessor Firststar Bank) in the State of Iowa for a number of years. CBRE has not represented U.S. Bank in connection with these Chapter 11 Cases.
- f. CBRE has previously represented, and likely currently represents, Chubb both nationally and in Central Iowa. CBRE represented Chubb's Rain & Hail Division regarding a renewal on Northpark Drive in Urbandale, Iowa. CBRE has not represented Chubb in connection with these Chapter 11 Cases.
- g. Bill Wright and/or CBRE have previously represented Wellmark Blue Cross Blue Shield. CBRE has not represented Wellmark in connection with these Chapter 11 Cases.
- h. CBRE previously represented the Debtor Mercy Hospital, Iowa City in connection with the sale of the Towncrest building in Iowa City. CBRE sold the building in Iowa City to Optimae Home Health, but CBRE did not represent Optimae Home Health in connection with the sale, nor has CBRE represented Optimae Home Health in connection with these Chapter 11 Cases.
- i. CBRE has previously represented the University of Iowa in connection with several real estate projects in Central Iowa. CBRE has not represented the University of Iowa in connection with these Chapter 11 Cases, including but not limited to the University's purchase of substantially all of the Debtors' assets.

23. To the best of my knowledge, information, and belief, except as set forth above and subject to the information set forth elsewhere in this Declaration, CBRE has not been retained to assist any entity or person other than the Debtors on matters relating to, or in direct connection with, these Chapter 11 Cases. CBRE will, however, continue to provide professional services to

entities or persons that may be creditors of the Debtors or interested parties in these Chapter 11 Cases; *provided* that such services do not relate to, or have any direct connection with, these Chapter 11 Cases or the Debtors. To the extent that CBRE discovers any, or enters into any new, material relationship with the Potential Interested Parties, CBRE will supplement this declaration.

24. Accordingly, based on information available to me at this time, I believe CBRE is a “disinterested person,” pursuant to my understanding of Bankruptcy Code section 101(14), and that CBRE and its professionals and employees who will work on the engagement:

- (i) are not creditors, equity security holders, or insiders of the Debtors;
- (ii) were not, within two years before the date of filing of the Chapter 11 Cases, a director officer, or employee of the Debtors; and
- (iii) do not have an interest materially adverse to the Debtors’ estates or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

25. I will supplement this Declaration in the event that any material information related to the Chapter 11 Cases and CBRE’s representation of the Debtors comes to my attention.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true
and correct to the best of my knowledge, information, and belief.

Dated: January 31, 2024

DocuSigned by:
By: William J. Wright
Name: William J. Wright
Title: Senior Vice President
& Managing Director
CBRE, Inc.